

SECRET

Approved For Release 2005/03/24 : CIA-RDP82M00531R000400140001-9

25X1

DIST:
Orig.-Addressee

✓ 1-PRG subj
1-PRG chron

Read by [redacted]
& Gen Allen, 27 Jun - returned
to PRG 6th floor, 28 Jun for file

25X1

20 June 1973

MEMORANDUM FOR THE RECORD

SUBJECT: Luncheon with Mr. William Colby, Director
Designate, CIA

1. On 20 June 1973, I, along with [redacted]
Evaluations Group, and [redacted] of
[redacted] office had lunch with Mr. William Colby,
Director Designate, CIA. Mr. Colby remarked when we
assembled that it was his custom to get together with
various members of the staff from time to time and
although he seldom took specific actions based on what he
learned from these luncheons, he did find the comments and
views of the staff invaluable in decision making.

25X1

25X1

2. Mr. Colby asked our opinion as to how the IC Staff
was being accepted in the Intelligence Community. I res-
ponded that the IC Staff's clout in the community would be
directly proportional to the amount of backing he (Colby)
wanted to give it and that since announcement of
Dr. Schlesinger's leaving, there had been a marked decline
in the cooperation the IC Staff received within the building
and within the community. My colleagues agreed with this
assessment. Mr. Colby indicated that he firmly believed in
the IC Staff concept and that he would use the USIB forum
to discuss his view of the IC Staff role. Although Mr.
Colby clearly endorsed the IC Staff concept, it was clear
that he had not firmed up in his mind just how he expected
to use the IC Staff.

3. Mr. Colby stated that there was an across the
board need for intelligence product improvement. He made
it clear that he did not think much of consumer polling as
a means to determining consumer needs. He stated that the
consumers seldom have any idea what they want. He thought

25X1

Approved For Release 2005/03/24 : CIA-RDP82M00531R000400140001-9

that a more adequate review of intelligence production could be accomplished by grading the present and past products. He thought this could be accomplished best by a panel representing the Department of State, the NSC, etc. Individuals on this panel would be responsible for assessing the accuracy and adequacy of the intelligence from the viewpoint of the consumer departments/agencies. He referred to an evaluation which was accomplished of all estimates produced in 1967, and indicated that that sort of review would be valuable in determining how well we are doing. (I will attempt to locate a copy of the 1967 estimates critique).

4. Mr. Colby's major concern was intelligence cost reduction. He pointed out the personnel costs which used to account for 20% to 30% of the budget now account for over 50% of the budget, and if the trend continues, personnel costs at some point in time would consume the entire budget.

25X1 [] pointed out that great savings could no longer be accomplished by cutting down the number of missions for sophisticated collection systems. [] pointed out that 25X1 when the cuts were from [] missions the savings were 25X1 significant, but cutting [] missions to [] missions saved 25X1 less than 10% of the total cost of the program. []

25X1 and [] both pointed out the great difficulty in identifying the take of a given system through to the production of finished intelligence. They pointed out that the take from individual systems is lost in the mind of the analyst as he considers the total take from all sources in arriving at his analysis. Mr. Colby stated that Dr. Schlesinger's assignment as Secretary of Defense would greatly improve the chances of getting an effective handle on intelligence resources which have historically been protected by the Department of Defense as relating only to "tactical intelligence."

In the context of cost, Mr. Colby was interested how we could best evaluate our total intelligence program for a given area. He used the example of [] and questioned whether such an evaluation should be made by IC Staff members or by a panel made up of members of the IC Staff, representatives of the producers, and outside consultants. It was our view that given the limited number of personnel which will be assigned to the IC Staff, the only feasible approach would be through the use of evaluation panels; however, we pointed out that it was important that the IC Staff maintain control of such an effort to assure objectivity.

[]
LTC USA